

# **Code of Practice**

## **for the Scottish non-household retail market**

Version 1.0

This code will take effect from April 2025 notwithstanding its date of issue.

## **The purpose of this Code of Practice<sup>1</sup>**

The Licensed Providers in Scotland, who have signed up to this Code of Practice (“Signatory Licensed Providers”), promise their Customers to deliver an enhanced service, beyond the minimum default service, by meeting or exceeding all the standards set out in this Code of Practice. Signatory Licensed Providers commit to the following guiding principles:

### **Positive outcomes for Customers**

Signatory Licensed Providers shall work collaboratively with their Customers (and with other Licensed Providers and Scottish Water) to ensure that the retail non-household market continues to deliver positive benefits to Customers regardless of the location or size of their business.

Signatory Licensed Providers shall:

- be transparent and honest in all interactions and treat Customers fairly.
- communicate with Customers in plain and clear language.
- provide appropriate, relevant and timely information to Customers to enable them to make informed choices; and
- respond to Customers in an appropriate and timely manner, considering additional needs they may have
- act in the spirit of this Code of Practice to ensure customers get the best service and outcomes.

### **Opportunity to choose an enhanced service for Customers**

This Code of Practice aims to provide Customers the opportunity to choose an enhanced service standard, above the minimum protections that already exist as part of the market. Licensed Providers can compete on levels of service credibly for the ultimate benefit of Customers.

### **Assurance for Customers**

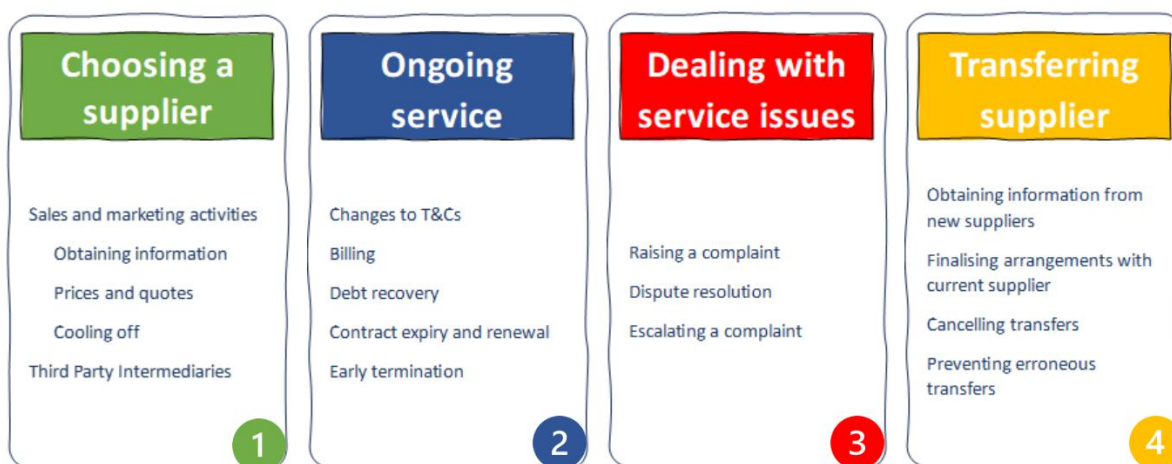
As Signatory Licensed Providers shall commit to regular independent validation, Customers can have greater confidence that they are receiving the enhanced service that has been committed to by their Signatory Licensed Provider. Signatory Licensed Providers will embed all commitments made by signing up to the Code of Practice in their Terms and Conditions.

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<sup>1</sup> The provisions within this Code of Practice are in addition to other legal rights and market protections of Customers.

## Customer journey

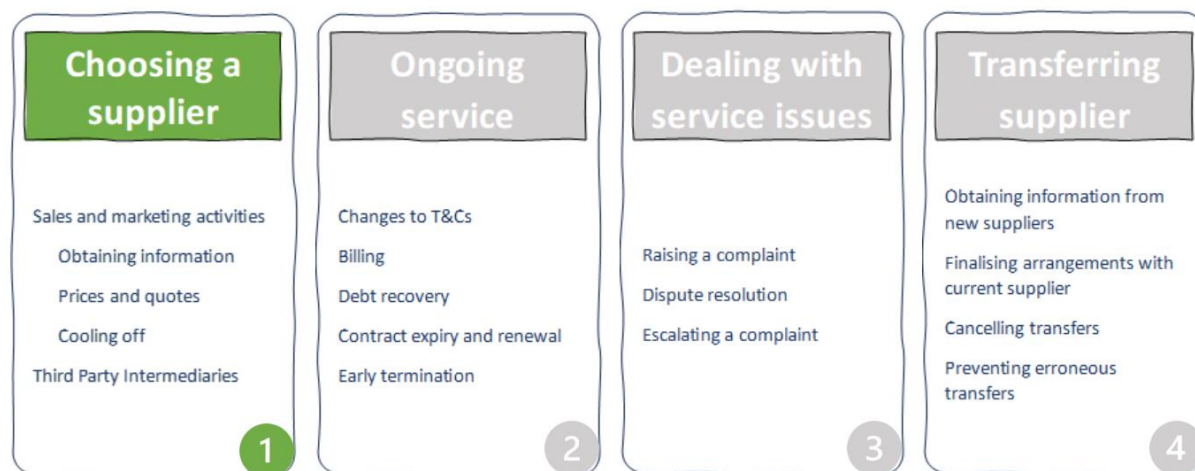
This Code of Practice is structured according to a typical Customer journey and seeks to provide information about what Customers can expect to receive to enable them to make informed choices.



The Code of Practice applies to all Customers of Signatory Licensed Providers including Customers who are on a Deemed Contract with the Default Services, Standards and Maximum Tariffs. However, some of the provisions of the Code of Practice are not relevant to Customers with a Deemed Contract, for example, they are free to change supplier at any time except where they have debt overdue for over 90 days.

Signatory Licensed Providers will apply the standards in this Code of Practice to Customers with a Deemed Contract wherever those standards are relevant as part of their commitment to delivering benefits to all their Customers.

## Section 1 – Choosing a supplier



### Section 1a – Sales and Marketing Activities

This section will address matters relevant to Customers when choosing a Licensed Provider. This will include the type of information that Customers can expect to receive, Customer access to a standardised cooling off period, and limitations around checks performed by Signatory Licensed Providers on Customers. This section sets out the following main objective and criteria.

#### Main objective

Signatory Licensed Providers shall provide appropriate, relevant and timely information to Customers to enable them to make informed choices when choosing a supplier.

#### Criteria

##### 1.1 Communications before agreeing a contract

1.1.1 Before submitting a transfer or agreeing Terms and Conditions of Supply (whichever is earlier), a Signatory Licensed Provider shall provide the following information to the Customer in writing or, where the Customer agrees, orally. This information will be provided directly by the Signatory Licensed Provider to the Customer irrespective of how the Customer has agreed terms i.e. directly or via a third party.

- i) details of applicable prices, charges and/or tariffs (including whether or not they are inclusive of all costs and taxes and any assumptions underlying the proposed prices, charges and/or tariffs) being offered by the Signatory Licensed Provider.

- ii) details of where the Customer can find a copy of the Scottish Default Services, Standards and Maximum Default Tariffs.
- iii) a clear comparison between the tariffs or discounts offered by the Signatory Licensed Provider and the default tariffs, clearly outlining the proposed savings against default tariffs for the Customer.
- iv) an explanation that the Customer may not currently be paying the default tariff and that current pricing will depend on current contractual arrangements in place.
- v) a charging statement outlining any other charges that are likely to apply
- vi) the method of billing and frequency of bills and payment methods available to Customers.
- vii) the duration of the Terms and Conditions of Supply being offered by the Signatory Licensed Provider to the Customer, in particular the proposed expiry date (if any).
- viii) contact details for the Signatory Licensed Provider (including full name, address, and a non-premium rate telephone number).
- ix) any rights of the Customer to cancel the Terms and Conditions of Supply without any cost to them.
- x) any rights of the Customer to cancel or terminate the Terms and Conditions of Supply that would incur costs or fees if exercised, including details of any such costs or fees and applicable notice periods.
- xi) details of where the Customer can find the Signatory Licensed Provider's complaints handling process.
- xii) if any compensatory payments are to be made by the Signatory Licensed Provider to any Third Party Intermediary.

1.1.2 Where the Signatory Licensed Provider has provided the information outlined in Section 1.1.1 orally to the Customer, it shall, within 5 business days, also provide this information (i - xii) to the Customer in writing along with a copy of the agreed or proposed Terms and Conditions of Supply.

## **1.2 Cooling off Period**

- 1.2.1 Customers shall be entitled to cancel or terminate a newly agreed contract, at no cost, without giving any reason, by notifying the incoming Signatory Licensed Provider within a cooling off period of 10 business days from the date of agreeing the new contract.
- 1.2.2 The transfer to the new Signatory Licensed Provider will not fall within the cooling off period.
- 1.2.3 The incoming Signatory Licensed Provider shall also provide written confirmation to the Customer, within 2 business days of receiving the cancellation notice from the Customer.

## **1.3 Checks by Signatory Licensed Providers on Non-Household Customers**

- 1.3.1 If the Signatory Licensed Provider is to make Customer checks (including credit checks), the Signatory Licensed Provider must explain to the Customer:
  - a) what information will be checked
  - b) who will perform the checking (Signatory Licensed Provider or third-party supplier)
  - c) the reason(s) for the checks, which may include:
    - i) a compliance check; and
    - ii) a financial check.
  - d) any impact that the check may have on the credit record of the Customer

## **1.4 Provision of information to Customers about Terms and Conditions of Supply**

- 1.4.1 Signatory Licensed Providers shall be transparent with their Customers about the Terms and Conditions of Supply which apply to them and should provide notification of any proposed changes to those Terms and Conditions of Supply, no less than 20 business days before those changes come into effect, consistent with Section 2.1.
- 1.4.2 Signatory Licensed Providers shall ensure that the written Terms and Conditions of Supply are in plain and clear language, and

available upon request in any other generally approved forms as may be required by a Customer.

- 1.4.3 The Signatory Licensed Provider must include in the Terms and Conditions of Supply details of how it will comply with the obligations in section 2.3.6.
- 1.4.4 At any time during any agreed contract, the Signatory Licensed Provider shall, on request, provide a Customer with a copy of the contract or evidence of a contractual agreement within 5 business days and free of charge. Acceptable forms of such evidence include but are not limited to:
  - a) DocuSign (or equivalent) or
  - b) a transcription of a call accepting the contract terms.
- 1.4.5 Any request for a copy of a contract or evidence of a contractual agreement must come either directly from the Customer or a party holding a valid LOA consistent with 1.8.1.

## **Section 1b – Third Party Intermediaries**

This section addresses instances where Customers are contacted by a Third Party Intermediary (TPI) on behalf of Signatory Licensed Providers. This also includes such instances where a Customer has instructed a TPI to interact with Licensed Providers on their own behalf

For reference, TPIs are usually known to offer brokerage services between Customers and Licensed Providers.

This section sets out the following main objectives and criteria.

### **Main objectives**

Signatory Licensed Providers shall take all reasonable steps to ensure that all TPIs acting on their behalf:

- are transparent and honest in all interactions with Customers; and
- provide appropriate, relevant and timely information to Customers to enable them to make informed choices when choosing a supplier.

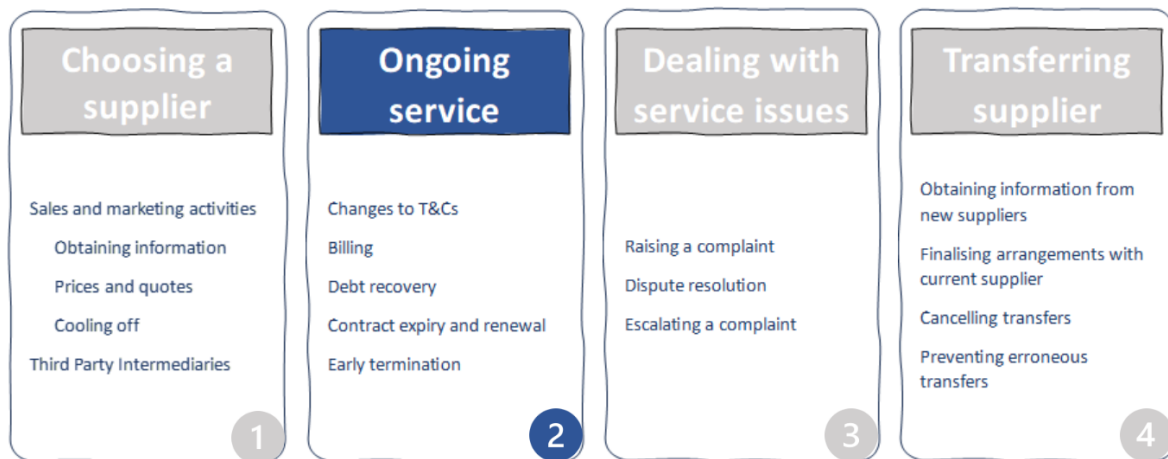
## **Criteria**

- 1.5 Signatory Licensed Providers and Customers may use Third Party Intermediaries in their interactions with each other.
- 1.6 A Third Party Intermediary may act for both the Customer and one or more Licensed Providers.
- 1.7 **Third parties acting for Signatory Licensed Providers**
  - 1.7.1 Where Signatory Licensed Providers use Third Party Intermediaries to represent them in sales and marketing activities, they shall take all reasonable steps to ensure that Third Party Intermediaries are aware of, understand and comply with, the provisions of this code.
  - 1.7.2 It shall remain the responsibility of the Signatory Licensed Provider to ensure that the Customer has been fully informed of all points as required in Section 1 before submitting a transfer request or agreeing Terms and Conditions of Supply.
  - 1.7.3 A Signatory Licensed Provider shall take all reasonable steps to ensure that any Third Party Intermediary acting on their behalf discloses the identity of the Signatory Licensed Provider and the nature of their contractual relationship and supplies Customers with the contact details of the Signatory Licensed Provider.
  - 1.7.4 A Signatory Licensed Provider shall have a policy for dealing with Third Party Intermediaries which will be available to a Customer on request.
  - 1.7.5 A Signatory Licensed Provider will inform Customers if any compensatory payments are to be made by the Signatory Licensed Provider to the TPI as a result of the Customer signing a contract with a Signatory Licensed Provider
- 1.8 **Third parties acting for Non-Household Customers**
  - 1.8.1 Where, at any time during the Contract, a Customer appoints and gives signed authorisation for a third party to act on its behalf, the Signatory Licensed Provider shall require written confirmation – known as a letter of authority – from the relevant Customer that clearly:
    - a) names the Third Party Intermediary acting on their behalf.



- b) details the extent of the Third Party Intermediary's authority;  
and
- c) confirms the date on which the letter of authority expires.

## Section 2 – Ongoing management and billing, debt recovery and contract expiry



This section of the Code of Practice covers matters relating to how Signatory Licensed Providers shall handle billing, debt recovery, contract expiry and renewal, including disputes of sums due, by setting out the following main objectives and criteria.

### Main objectives

Signatory Licensed Providers shall:

- be transparent and honest in all interactions with Customers when implementing relevant changes to Terms and Conditions, including when dealing with billing disputes; and
- treat Customers fairly when recovering any unpaid debt or renewing contractual arrangements.

### Criteria

#### 2.1 Changes to Terms and Conditions

- 2.1.1 If the Terms and Conditions of Supply which are applicable to the Customer are to be changed during the contract, the Signatory Licensed Provider shall ensure that the Customer is informed, no less than 20 business days before those changes take effect, of all the proposed changes to the Terms and Conditions of Supply.
- 2.1.2 Signatory Licensed Providers shall notify all Customers, no less than 20 business days before any changes to charging arrangements which result in new or increased charges, including the impact of such changes on the Customer's current charges.

2.1.3 In the event of any material changes to the Terms and Conditions of Supply, the Customer shall have the right to terminate the supply contract before the changes come into effect without any penalties. A material change may include but is not limited to:

- a) Transfer of ownership of the Signatory Licensed Provider (including transfer of licences).
- b) Removal or discontinuation of a specific service provided directly by the Signatory Licensed Provider.
- c) Charging changes not specified as part of the Terms and Conditions of Supply (e.g. addition of a charge or applying an unspecified increase);

## 2.2 **Billing**

### 2.2.1 **Information to be provided on each bill.**

- a) Each bill issued to a Customer by a Signatory Licensed Provider shall contain the following minimum information requirements:
  - i) the Customer's Supply Point Identification Numbers (SPIDs).
  - ii) the tariff and details of how the bill has been calculated.
  - iii) whether the Terms and Conditions of Supply are pursuant to a Scheme of Terms and Conditions or the statutory duties of a Signatory Licensed Provider.
  - iv) ways to pay any outstanding debt.
  - v) contact details for the Signatory Licensed Provider.
- b) Each bill issued to a Customer by a Signatory Licensed Provider shall also:
  - i) reiterate the right of each Customer to raise a complaint.
  - ii) set out where Customers can find details of the complaints handling process; and
  - iii) outline the right of each Customer to escalate an unresolved complaint to the SPSO.

## **2.2.2 Billing accuracy and frequency.**

- a) Signatory Licensed Providers shall issue at least 1 bill or invoice each year, where practical to be based on actual meter reads where the supply is metered.
- b) Any closing bill to be issued to a Customer shall be issued promptly, and within 20 business days after the earlier of the transfer or the termination or expiry of the contract, except where critical information needed for the bill is not available.

## **2.3 Retrospective Billing**

2.3.1 Customers should be billed accurately and promptly wherever possible. However, it is recognised that Signatory Licensed Providers may need to go back and bill or re-bill Customers in some circumstances, eg when new information comes to light, to resolve complaints, or because Scottish Water has recalculated wholesale charges.

2.3.2 Where the Customer is entitled to a credit or refund then the Signatory Licensed Provider shall go back up to 5 years from the date the Signatory Licensed Provider became aware of the issue to calculate the credit and apply it to the Customer's account, subject to the provisions and interpretation of the Prescription and Limitation (Scotland) Act 1973 (as amended).

2.3.3 Where the Customer has not been billed for services or where the Signatory Licensed Provider is entitled to recover additional costs, the Signatory Licensed Provider shall not go back more than two years from the date the Signatory Licensed Provider notified the Customer of the relevant issue except where one of the situations in paragraph 2.3.4 applies.

2.3.4 The Signatory Licensed Provider may go back for up to five years from the date the Signatory Licensed Provider notified the Customer of the relevant issue in rebilling a Customer where:

- Scottish Water has recalculated Primary or Non-Primary Charges and invoiced the Signatory Licensed Provider for an increased sum;
- the Customer failed to notify the Signatory Licensed Provider of the correct occupancy status; or

- the Customer frustrated access to the meter or otherwise, by act or omission, frustrated a Signatory Licensed Provider from billing accurately.

2.3.5 Where the Signatory Licensed Provider receives a charge from Scottish Water following a recalculation of Primary or Non-Primary Charges, any retrospective billing by the Signatory Licensed Provider shall mirror the period and charges raised by Scottish Water.

2.3.6 Where the Signatory Licensed Provider receives a refund payment from Scottish Water following a recalculation of Primary or Non-Primary Charges, the Signatory Licensed Provider shall pass on this refund payment (in full) plus the relevant retail margin to all Customers in the same proportion to which the calculation has affected their invoices or bills.

## 2.4 **Debt Recovery**

2.4.1 Each Signatory Licensed Provider shall offer Customers a reasonable repayment plan for any outstanding debt (including debt from retrospective billing as outlined in Section 2.3) and shall also outline to the Customer the consequences of failing to pay.

2.4.2 A reasonable repayment plan shall mean:

- a) that the outstanding debt does not incur interest on the amount due; and
- b) it offers the relevant Customer time to pay the amount due by agreed instalments, over a period nominated by the Customer being no longer than:
  - i) the period during which the debt accrued, if it accrued over a period of less than 12 Months; or
  - ii) 12 Months, in any other case.

2.4.3 A Signatory Licensed Provider shall not restrict the methods of payment available to a Customer when paying any outstanding debt (including debt from retrospective billing as outlined in Section 2.3).

2.4.4 A Signatory Licensed Provider will provide Customers with notice of overdue accounts before treating an account as being in default, and will inform the Customer of:

- a) details of the sums due.
- b) the Signatory Licensed Provider's right to collect sums due.
- c) alternative available payment options.
- d) the Signatory Licensed Provider's Complaints Handling Process as a means of disputing a bill.
- e) the steps that may be taken by the Signatory Licensed Provider where the Customer fails to pay.

2.4.5 A Signatory Licensed Provider will inform the Customer in a timely manner of the status of their account at all key stages of the debt management process.

2.4.6 A Signatory Licensed Provider will not treat an account as being in default or commence a process for the recovery of debt if:

- a) The Customer is complying with the terms of a payment plan agreed with the Signatory Licensed Provider.
- b) The Customer has asked for an alternative payment plan and the Signatory Licensed Provider has not responded to accept or decline this request within 10 business days.

2.4.7 A Signatory Licensed Provider shall inform the Customer of external organisations that can provide free advice on dealing with debt.

## **2.5 Disputing any sums due**

2.5.1 Each Signatory Licensed Provider shall inform Customers of their right to raise a formal dispute with the Signatory Licensed Provider in relation to sums due under the relevant Terms and Conditions of Supply, including the consequences of failing to raise a dispute.

2.5.2 Each Signatory Licensed Provider shall inform Customers how to raise a formal dispute with the Signatory Licensed Provider, including the deadline by which such a dispute must be raised.

## **2.6 Contract Expiry**

2.6.1 On expiry of a contract term, the Signatory Licensed Provider will remain responsible for the services at that site.

## **2.7 Renewal Notice**

- 2.7.1 If a contract term is due to expire, the Signatory Licensed Provider must write to the relevant Customer at least 20 business days before the expiry date advising the Customer of the following:
- a) the upcoming expiry of the contract and the expiry date.
  - b) the terms for renewal as stated in the Customer's initial fixed period contract.
  - c) if the fixed period contract does not provide for renewal, the Customer's options on expiry, including:
    - i) whether the Customer can renew the contract or Terms and Conditions of Supply on the same basis and, if so, how; and
    - ii) other Terms and Conditions of Supply available from the same Signatory Licensed Provider (if any), in particular the Signatory Licensed Provider's current charges and whether the Customer is on the Signatory Licensed Provider's cheapest deal available for that Customer;
  - d) the action that the Signatory Licensed Provider will take if the Customer does not respond to the renewal notice, see Section 2.8 below.

## **2.8 Contract Renewal**

- 2.8.1 If the Customer does not respond to the renewal notice, and the contract does not provide for renewal, the Signatory Licensed Provider may move the Customer onto another tariff up to the rates contained in the Default Services, Standards and Maximum Tariffs under the default Terms and Conditions of Supply established by the Water Industry Commission for Scotland.
- 2.8.2 If the Signatory Customer agrees to renew their contract or the Customer remains contracted to the Signatory Licensed Provider in line with Section 2.8.1 above:
- a) The Signatory Licensed Provider shall ensure that the Customer is provided with the information listed in Section 1.1.1 within 5 business days following the implementation of the renewal.

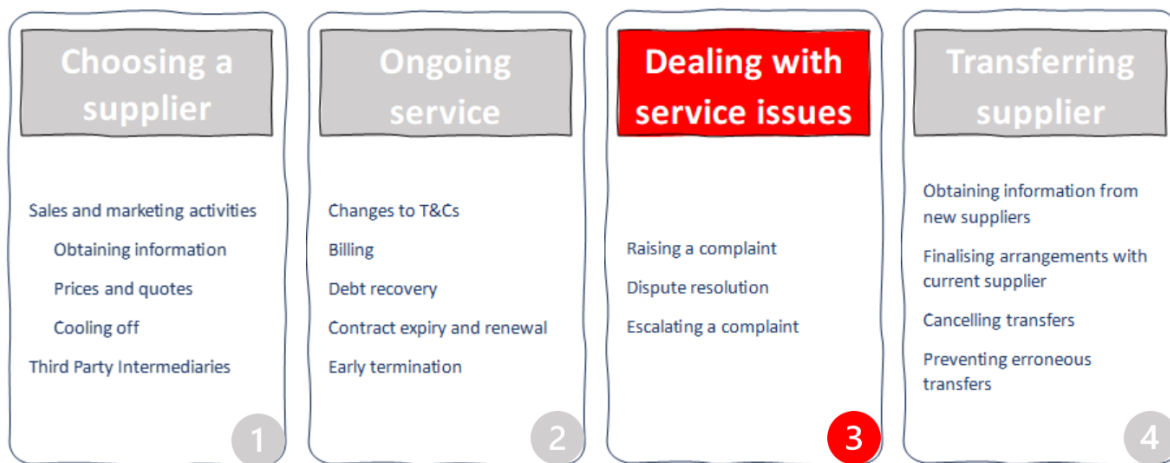
## 2.9 Early termination of contractual arrangements

- 2.9.1 Signatory Licensed Providers shall work together to manage the smooth transfer of Customers who wish to change their supplier. This Code of Practice sets out the standards that Signatory Licensed Providers are expected to follow but ultimately do not affect the contractual rights of either a Licensed Provider or a Customer.
- 2.9.2 This section covers the transfer of a Customer who wishes to terminate their existing contract early and transfer to another Licensed Provider. Other transfers are covered in Section 4 of this Code of Practice.
- 2.9.3 **Responsibilities of the Incoming Signatory Licensed Provider**
- 2.9.4 The incoming Signatory Licensed Provider shall work with any outgoing Licensed Provider to facilitate a transfer requested by the Customer and help the Customer resolve any issues.
- 2.9.5 Before submitting a transfer request or agreeing Terms and Conditions of Supply (whichever is earlier), an incoming Signatory Licensed Provider shall inform all relevant Customers that an early termination fee may be applicable as part of the early termination of a fixed term contract with an outgoing Licensed Provider.
- 2.9.6 The incoming Signatory Licensed Provider shall keep auditable records of the Customer's agreement to switch supplier and shall make them available to the outgoing Licensed Provider or Market Health Checker on request.
- 2.9.7 **Responsibilities of the Outgoing Signatory Licensed Provider**
- 2.9.8 The outgoing Signatory Licensed Provider shall work with any incoming Licensed Provider to facilitate a transfer requested by the Customer and help the Customer resolve any issues.
- 2.9.9 The outgoing Signatory Licensed Provider shall accept the transfer request from another Signatory Licensed Provider as the necessary notice of termination unless there is reason to suspect an erroneous transfer.
- 2.9.10 The outgoing Signatory Licensed Provider shall not use early termination as a reason for rejecting any transfer request.



- 2.9.11 The early termination fee shall represent no more than the value of the discount that the Customer has received during the current term of the contract from the commencement of the current contract term to the date of (early) termination.
- 2.9.12 Where a contract is structured as a core period with an optional extension, eg a contract for 3 years with an option to extend for a further year, and the contract is cancelled during the optional extension period, the early termination fee shall be reckoned from the start of the optional extension period. Similarly, where a contract is extended automatically unless cancelled, the early termination fee shall be reckoned from the latest date when the contract was extended.
- 2.9.13 On receipt of a transfer request an outgoing Signatory Licensed Provider will inform the Customer within 5 business days of any fee that will contractually become payable on early termination of a fixed term contract.

## Section 3 - Complaints and dispute resolution



This section of the Code of Practice covers matters relating to how Signatory Licensed Providers shall handle Customer complaints and resolve disputes by setting out the following main objectives and criteria.

### Main objectives

Signatory Licensed Providers shall:

- communicate with Customers in plain and clear language to describe the steps each Signatory Licensed Provider will take to resolve any service issues;
- respond to Customers in an appropriate and timely manner, considering additional needs they may have to resolve Customer complaints and disputes promptly and effectively, without any unnecessary and undue delays; and
- operate a complaints process that is consistent with the SPSO “Guidance on a Model Complaints Handling Procedure”.

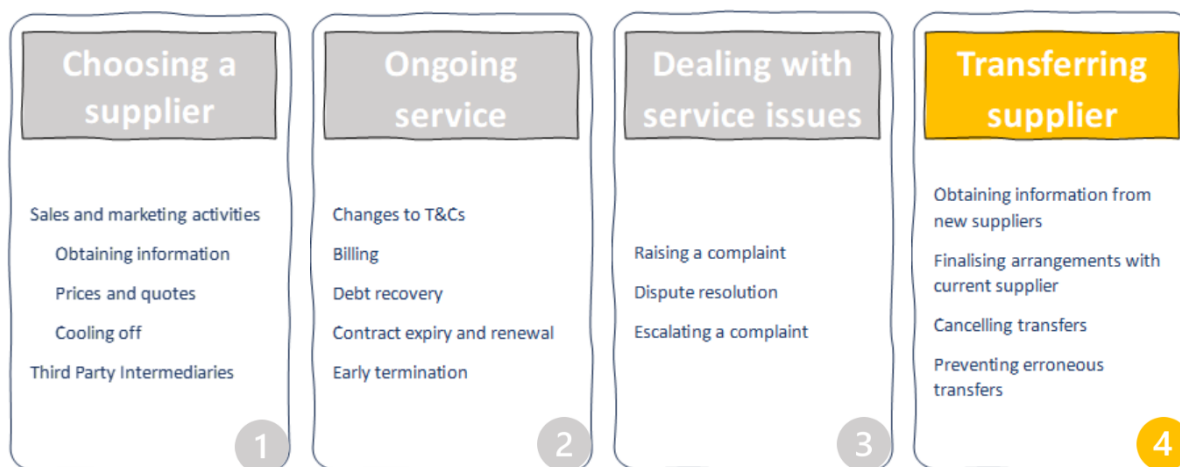
### Criteria

- 3.1 Each Signatory Licensed Provider shall always have in place a readily accessible and effective Complaints Handling Process at no cost to Customers.
- 3.2 Each Signatory Licensed Provider must always display their Complaints Handling Process on their website and it must also be available on request from a Customer in other normally accepted formats.
- 3.3 Each Signatory Licensed Provider shall comply with its Complaints Handling Process in relation to each complaint received from a Customer.
- 3.4 A Complaints Handling Process must:
- 3.4.1 be in plain and clear language.

- 3.4.2 allow for complaints to be made orally and/or in writing.
- 3.4.3 describe the steps each Signatory Licensed Provider will take with a view to investigating and resolving a complaint and the timescales within which each step is expected to be completed.
- 3.4.4 describe any remedies available to the Customer on resolution of a complaint, which must include but is not required to be limited to:
  - a) an apology.
  - b) an explanation.
  - c) an appropriate remedial action (to resolve the issue).
  - d) an amount payable to the Customer, within 20 business days of the decision, where remedial action is not possible or is insufficient to deal with the complaint.
- 3.4.5 include the contact details of the Scottish Public Services Ombudsman, as the appropriate external body to whom an appeal can be made.
- 3.5 Where a Customer has made a written complaint, each Signatory Licensed Provider shall provide an acknowledgement of the complaint within 8 business days. A request for more information (where necessary) to help review the complaint further shall be included as part of the acknowledgment by the Signatory Licensed Provider.
- 3.6 Where a Customer has made a verbal complaint, each Signatory Licensed Provider shall provide an acknowledgement of the complaint during the conversation with the Customer. A request for more information (where necessary) to help review the complaint further shall be made during the conversation with the Customer or within 8 business days of acknowledging the complaint.
- 3.7 Thereafter, each Signatory Licensed Provider shall provide a response to the complaint within 10 business days of receiving the complaint. This response shall include one of the remedies outlined as part of Section 3.4.4.
- 3.8 For complaints that entail a dependency on Scottish Water, each Signatory Licensed Provider shall keep the Customer informed, giving timescales for any actions which must be taken either by Scottish Water or the Signatory Licensed Provider to resolve the complaint.

- 3.9 On receipt of a complaint, each Signatory Licensed Provider shall maintain a record of the following details:
- 3.9.1 The date when the complaint has been received
  - 3.9.2 The format in which the complaint was made by the Customer (oral or written)
  - 3.9.3 A summary of the details of the Customer that has raised the complaint
  - 3.9.4 A summary of the complaint made by the Customer
  - 3.9.5 A summary of the advice given or action taken by the Signatory Licensed Provider
  - 3.9.6 The remedy to the complaint (consistent with Section 3.4.4), including an explanation as to why the Signatory Licensed Provider has provided the relevant remedy
  - 3.9.7 The outcome of the complaint based on feedback from the Customer that has raised the specific complaint:
    - a) whether the complaint has been fully resolved
    - b) whether the complaint has been partially resolved
    - c) whether the complaint has not been resolved
  - 3.9.8 The date the remedy has been provided
  - 3.9.9 The date the complaint has been closed off
  - 3.9.10 In cases where the complaint has not been resolved, the Signatory Licensed Provider must record the date when the Customer has been advised to escalate the complaint to the SPSO
- 3.10 The record outlined as part of Section 3.9 shall be kept by each Signatory Licensed Provider for a period of at least 2 years, and will be available to the SPSO and Market Health Checker on request.

## Section 4 - Transferring away to another Licensed Provider



Customers might wish to switch to another Licensed Provider for any one of several reasons, for example the Customer would like to reduce water bills, get better service, or get advice on using less water to help save money for their business. This Code of Practice sets out the following main objective and criteria.

### Main objective

Signatory Licensed Providers shall:

- communicate with Customers in plain and clear language the steps involved as part of the transfer process and outlining the information required from the Customer to facilitate the transfer; and
- respond to Customers in an appropriate and timely manner by ensuring a smooth transfer process from start to finish without any unnecessary and undue delays.

### Criteria

#### 4.1 Contacting a Signatory Licensed Provider to obtain information and quotes

- 4.1.1 Signatory Licensed Providers shall provide Customers with the information outlined as part of Section 1.1, including any other information that may be requested by the Customer, to allow the Customer to make an informed decision.

#### 4.2 Obligations of the new Signatory Licensed Provider (incoming Signatory Licensed Provider)

- 4.2.1 The incoming Signatory Licensed Provider shall explain to the Customer the steps involved as part of the transfer process,

including the information required from the Customer to facilitate the transfer.

- 4.2.2 Where the Customer has cancelled or terminated the contract during the cooling off period (see Section 1.2), the incoming Signatory Licensed Provider shall ensure that any transfer request that has been made is cancelled within the following 2 business days, free of any charges or penalties to the Customer.
- 4.2.3 An incoming Signatory Licensed Provider shall take all reasonable steps to prevent an erroneous transfer by ensuring that they have valid Terms and Conditions of Supply with the relevant Customer and that, if the Customer cancels the contract during the Cooling Off Period, they will submit the necessary transaction to ensure the transfer does not take place.
- 4.2.4 If a transfer is initiated in error, the incoming Signatory Licensed Provider will inform the Customer of the situation within 2 business days of identifying the error. The incoming Signatory Licensed Provider shall communicate to the Customer how the incoming Signatory Licensed Provider intends to resolve the situation and inform the Customer of any actions the Customer may be required to take.

#### **4.3 Obligations of the previous Signatory Licensed Provider (outgoing Signatory Licensed Provider)**

- 4.3.1 When a transfer request has been received, the outgoing Signatory Licensed Provider shall not decline the transfer request by use of automated methods, except in the case of debt overdue for over 90 days. If necessary, the outgoing Signatory Licensed Provider shall first contact the relevant Customer or the incoming Licensed Provider, within 5 business days of the transfer request, to confirm the transfer request.
- 4.3.2 A valid contract shall not form a valid reason for the outgoing Signatory Licensed Provider to object to a transfer request. Consistent with section 2.9.9, the transfer request shall act as the necessary notice of early termination.
- 4.3.3 The outgoing Signatory Licensed Provider shall contact the Customer to acknowledge the transfer request and explain the process involved in finalising the charges for the Customer's account.

- 4.3.4 Where the Customer has cancelled the contract during the cooling off period (see Section 1.2), the incoming Signatory Licensed Provider shall confirm to the Customer and the outgoing Licensed Provider, within 2 business days, that the transfer request has been terminated.
- 4.3.5 If an outgoing Signatory Licensed Provider objects or declines a transfer request consistent with Section 4.3.1, the outgoing Signatory Licensed Provider shall contact the affected Customer within 2 business days, explaining the reason(s).
- 4.3.6 The outgoing Signatory Licensed Provider shall also inform the Customer of the steps the Customer or the incoming Licensed Provider can or should take to ensure a future transfer is not objected to.

## Definitions

This Code of Practice makes reference to several terms, which have been defined below for ease of reference.

Term	Definition
Business day	The period of 09:00 to 17:00 hours on any day other than a Saturday or Sunday, or Christmas Day, Good Friday or any day which is a bank holiday in Scotland under the Banking and Financial Dealings Act 1971.
Cancellation notice	A written or verbal request made by a Customer to cancel a transfer request during a cooling off period.
Complaints handling process	A procedure which sets out how a complaint from a Customer can be made to, handled and progressed by a Licensed Provider.
Cooling Off Period	The 10 business day period where a Customer has the right to cancel a contract with a new Signatory Licensed Provider without penalty. Note – this is separate from the rejection window provided for in the Market Code.
Customer	Non-household Customer (businesses, charities, industrial users and public organisations) - person who may be identified as the Customer of a Licensed Provider for any eligible premises considering the relevant eligibility criteria.
Deemed Contract	Means a contract with a Customer as defined by the Water Industry Commission of Scotland under the Deemed Contract Scheme, dated 4 March 2016.
Default Services, Standards and Maximum Tariffs	Means the Default Services, Standards and Maximum Tariffs as defined and updated annually by the Water Industry Commission for Scotland. These can be found at <a href="https://wics.scot/publications/retail-market/default-tariffs">https://wics.scot/publications/retail-market/default-tariffs</a>
Incoming Licensed Provider	Means the Licensed Provider to which the Customer is transferring
Licensed Provider	A company that holds an active licence to provide water and sewerage services as part of the retail non-household market in Scotland.
Market Health Checker	The person or body carrying out the function of the Market Health Check proposed in the Water Industry Commission for Scotland letter of 3 April 2023. <a href="https://wics.scot/letter-implementing-market-health-check">https://wics.scot/letter-implementing-market-health-check</a>



<b>Term</b>	<b>Definition</b>
Outgoing Licensed Provider	Means the Licensed Provider from which the Customer is transferring
Signatory Licensed Provider	A Licensed Provider who has voluntarily agreed to sign up to the Code of Practice.
Terms and Conditions of Supply	<p>The terms and conditions on which a supply of water or sewerage services are provided or are to be provided by a Licensed Provider in relation to:</p> <ul style="list-style-type: none"> <li>(i) an agreement between the Licensed Provider and a Customer, including a special agreement.</li> <li>(ii) a Scheme of Terms and Conditions; or</li> <li>(iii) the statutory duties of a relevant undertaker.</li> </ul>
Third Party Intermediary (TPI)	An organisation or individual that gives water-related advice aimed at helping non-household Customers buy water and sewerage services and manage your water needs. TPIs include switching sites, water brokers and any company that offers support with water and sewerage services procurement.
Transfer request	A written or verbal request made to switch from one Licensed Provider to another.

In this Code of Practice, unless the context otherwise requires, references to 'writing' or 'written' shall include email.

# Appendix 1

## Code governance arrangements and modifications

### 1.1 Code management

- 1.1.1 This Code of Practice is written and administered by the Customer Panel.
- 1.1.2 The following representatives shall form the Customer Panel:
  - a) all Licensed Providers who have signed up to the Code of Practice.
  - b) Consumer Scotland [acting as independent Chair];
  - c) The Water Industry Commission for Scotland; and
  - d) The Central Market Agency (non-voting member).
- 1.1.3 Consumer Scotland will act as Panel Secretariat of the Customer Panel who will:
  - a) administer the change process (see Section 1.3); and
  - b) set up and manage meetings.
- 1.1.4 Consistent with the guiding principles of this Code of Practice, all Signatory Licensed Providers in Scotland, will undertake a regular independent validation, by the Market Health Checker, to demonstrate their compliance with this Code of Practice.

### 1.2 Customer Panel meetings

- 1.2.1 Meetings of the Customer Panel will be held quarterly to:
  - a) consider issues with or potential changes to the Code of Practice raised by members or other market stakeholders; and
  - b) consider issues with or potential changes to the Code of Practice raised by Customers through members or other market stakeholders.
  - c) consider and reflect upon developments in other markets which may be relevant to improve the Code of Practice.

- 1.2.2 All members of the Customer Panel will be invited to attend.
- 1.2.3 No business is to occur at the Customer Panel Meeting unless a quorum of five voting members (including the Chair) is present.
- 1.2.4 Any changes to the Code of Practice will be accepted as approved if a majority of those present vote in a favour of the proposal

### **1.3 Changes to the Code of Practice**

- 1.3.1 Any Customer Panel member may propose changes to this Code of Practice, by submitting a formal change proposal.
- 1.3.2 The formal change proposal will be circulated to other Customer Panel members by the Panel Secretariat and should contain and/or be accompanied by the following information:
  - a) the name of the Customer Panel member proposing the change.
  - b) a description (in reasonable but not excessive detail) of the change proposed, its nature and purpose and the likely impact of the change on Licensed Providers and Customers, including confirmation of how it is consistent with the guiding principles of this Code of Practice.
  - c) whether the change proposal is considered urgent and, if so, why; and
  - d) a description of any consultation carried out or supporting evidence gathered in advance of submitting the change proposal.
- 1.3.3 The decision of the Customer Panel shall be recorded by the Secretariat and shall include the following:
  - a) the member who raised the change proposal.
  - b) the reasons for the proposed changes.
  - c) the scope and impact of the potential change, including consideration of risks.
  - d) an evaluation against the guiding principles of this Code of Practice.

- e) any relevant evidence considered (including consultation responses received).
- f) implementation timescales, which will consider the likely impact on Signatory Licensed Providers' existing systems and processes.
- g) the likely impact on Customers; and
- h) the date from which the change will take effect.

1.3.4 Should a change proposal be approved, the Code of Practice shall be amended accordingly, and the change noted in version control. The most up to date version of the Code of Practice shall always be available on the Water Industry Commission for Scotland website.